

HOUSE No. 3749

The Commonwealth of Massachusetts



EXECUTIVE DEPARTMENT
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DEVAL L. PATRICK
GOVERNOR

TIMOTHY P. MURRAY
LIEUTENANT GOVERNOR

February 15, 2007.

To the Honorable Senate and House of Representatives:

I am filing for your consideration the attached legislative proposal, entitled, "An Act Establishing the Municipal Partnership Act."

This legislation will encourage cooperation between the Commonwealth and its communities to strengthen municipal authority and provide local governments with increased flexibility to address their unique challenges. These goals will be achieved by several measures including: eliminating utility corporation tax loopholes for telecommunications companies; authorizing local governments to join the Group Insurance Commission to provide health care coverage for local employees; providing more accountability in investing local pension funds; providing cities and towns with opportunities to obtain more financial resources through optional local hotel and restaurant taxes; allowing cities and towns to take advantage of state-wide economies by advertising invitations for bids on the Commonwealth's website; creating the position of Director of Municipal Affairs; increasing flexibility in municipal borrowing; and creating a commission to study the use of state technology for municipal purposes and a commission to study ways to increase local authority in areas requiring home rule petitions.

I urge your prompt and favorable consideration of this bill to promote partnerships and improve working relationships with cities and towns across the Commonwealth.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Deval Patrick", written over a horizontal line.

DEVAL L. PATRICK,
Governor.

The Commonwealth of Massachusetts

In the Year Two Thousand and Seven.

AN ACT ESTABLISHING THE MUNICIPAL PARTNERSHIP ACT.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Chapter 10 of the General Laws is hereby
2 amended by inserting after section 35CC the following section:—
3 Section 35DD. There shall be established and set up on the
4 books of the commonwealth a separate fund to be known as the
5 Municipal Property Tax Exemption Reimbursement Fund to be
6 expended, without appropriation, for the purpose of reimbursing
7 cities and towns for taxes abated under clause Forty-first, Forty-
8 first B or Forty-first C of section 5 of chapter 59. The trustee of
9 the fund shall be the secretary of administration and finance. The
10 fund shall consist of revenues received by the commonwealth
11 under section 3A of chapter 64G and section 2A of chapter 64H.

1 SECTION 2. The first paragraph of section 1 of chapter 14 of
2 the General Laws, as so appearing, is hereby amended by adding
3 the following sentence:— The deputy commissioner for local
4 services shall also be known as the director of municipal affairs,
5 and shall report to the commissioner and to the secretary.

1 SECTION 3. Section 5 of chapter 30B of the General Laws, as
2 so appearing, is hereby amended by inserting after the word
3 “body”, in line 32, the following words:— or on a public internet
4 website of either the governmental body or the commonwealth.

1 SECTION 4. Section 19 of chapter 32 of the General Laws, as
2 so appearing, is hereby amended by adding the following para-
3 graph:—
4 A retirement board may deduct from a retiree’s pension check
5 the per cent contribution of health insurance premiums for a
6 retired member receiving group life insurance, group accidental

7 death and dismemberment insurance, group general or blanket
8 hospital, surgical, medical, dental or other health insurance cov-
9 erage under chapter 32B. If the amount of the retired member's
10 pension check is insufficient to accommodate the entire deduction,
11 upon notice from the retirement board, the employer for whom the
12 member last worked and from whom the member is retired shall
13 bill the retired member for the employee's share of the premiums.

1 SECTION 5. Section 22 of chapter 32 of the General Laws, as
2 so appearing, is hereby amended by inserting after line 14 the
3 following paragraph:—

4 Notwithstanding any general or special law to the contrary,
5 each system that, in any year after 2006 has a funded ratio of less
6 than 80 per cent, and has a rate of return over the past 5 years, as
7 determined by the commission, that is at least 2.25 per cent less
8 than the PRIT Fund rate of return over the same period shall
9 transfer all of its assets to the PRIT Fund for investment. A
10 system that would otherwise be required to transfer its assets
11 under this section may appeal to the commission and receive an
12 exemption from this transfer requirement if the rate of return for
13 that system has exceeded the PRIT Fund rate of return for the pre-
14 vious 2 years or if the rate of return was affected by other extenu-
15 ating circumstances. The commission shall adopt regulations
16 governing this appeal process.

1 SECTION 6. Section 3 of chapter 32A of the General Laws, as
2 so appearing, is hereby amended by inserting after the first sen-
3 tence the following 4 sentences:— In addition to the members
4 described in the previous sentence, there shall be at least 2 but not
5 more than 4 municipal representatives who shall be members of
6 the group insurance commission. One management representative
7 shall be appointed by the governor from a list of 3 representatives
8 provided by the Massachusetts Municipal Association, and 1 labor
9 representative shall be appointed by the governor from a list of 3
10 representatives provided by the president of the teachers' union
11 with the greatest number of active and retired members enrolled in
12 commission health plans. In addition, upon the transfer of 25,000
13 subscribers from municipal governmental units to the group insur-
14 ance commission under section 19 of chapter 32B, there shall be a

15 second management representative appointed by the governor
16 from a list of 3 representatives provided by the Massachusetts
17 Municipal Association and a second labor representative
18 appointed by the governor from a list of 3 representatives of
19 municipal public safety employees provided by the president of
20 the Massachusetts chapter of the AFL-CIO. If the governor fails
21 to take action within 180 days to appoint any of these representa-
22 tives to the commission, a representative from the list from which
23 no action has been taken shall be appointed to the commission by
24 the relevant organization.

1 SECTION 7. Said section 3 of said chapter 32A, as so
2 appearing, is hereby further amended by striking out, in line 13,
3 the word “five” and inserting in place thereof the following
4 words:— 55 per cent of the.

1 SECTION 8. Chapter 32B of the General Laws is hereby
2 amended by striking out section 19, as so appearing, and inserting
3 in place thereof the following section:—

4 Section 19. (a) Notwithstanding any other section in this
5 chapter, the appropriate public authority of any governmental unit
6 which has undertaken to provide health coverage to its subscribers
7 by acceptance of any other section of this chapter may instead
8 elect to provide health coverage to its subscribers under this
9 section, by entering into a contract or contracts with any 1 or more
10 health carriers, or by transferring its subscribers to the group
11 insurance commission established in chapter 32A, under subsec-
12 tion (e) of this section. For the purposes of this section, sub-
13 scribers shall be defined as employees, retirees, surviving spouses,
14 and dependents of the governmental unit, and may include any
15 employees, retirees, surviving spouses and dependents of a district
16 as defined in section 2 that previously received health insurance
17 benefits through the governmental unit accepting this section.
18 This section shall take effect in a county, except in Worcester
19 county, city, town or district upon its acceptance in the following
20 manner: in a county except in Worcester county, by a vote of the
21 county commissioners; in a city having Plan D or a Plan E charter,
22 by majority vote of its city council and approval by the manager;
23 in any other city by majority vote of the city council and approval

24 by the mayor; in a town, by vote of the board of selectmen; in a
25 regional school district, by vote of the regional district school
26 committee; and in all other districts, by vote of the registered
27 voters of the district at a district meeting.

28 Acceptance of this section shall not take effect until a written
29 agreement is reached between the appropriate public authority and
30 the public employee committee established under this section, and
31 the written agreement may condition acceptance of this section
32 upon transferring of subscribers into the group insurance commis-
33 sion under subsection (e) of this section.

34 A written agreement to transfer subscribers to the commission
35 under this section shall be the sole means by which the sub-
36 scribers of a governmental unit may be transferred to group insur-
37 ance commission coverage.

38 Notwithstanding subsection (c) of section 4B of chapter 4, the
39 acceptance of this designation may be revoked in the same manner
40 it was accepted in accordance with all other subsections of
41 section 4B of chapter 4, subject to the requirements of any public
42 employee committee agreements as provided in this section and
43 chapter 150E, but revocation of this section shall not take effect
44 until a written agreement providing for revocation is reached
45 between the appropriate public authority and the employee com-
46 mittee established under this section. Nothing in this section shall
47 preclude an appropriate public authority from agreeing to estab-
48 lish a health and welfare trust fund under section 15.

49 Except as otherwise provided in subsection (e) of this section,
50 any such contract or contracts with any one or more health insur-
51 ance carriers shall be in conformity with an agreement reached by
52 an appropriate public authority and a public employee committee.
53 Such election by the appropriate public authority may be renewed
54 in conformity with any successor agreement reached with a public
55 employee committee.

56 The public employee committee shall be composed of a repre-
57 sentative of each collective bargaining unit with which the gov-
58 ernmental unit negotiates under chapter 150E and a retiree. Either
59 the public employee committee or the appropriate public authority
60 may convene the initial meeting of this committee at any time
61 upon 30 days notice. The retiree representative shall be a
62 designee of the Retired State, County and Municipal Employees

63 Association. The retiree representative shall have a 10 per cent
64 vote. The remaining 90 per cent vote shall be divided as follows:
65 each collective bargaining unit represented on the public
66 employee committee shall have a weighted vote equal to the pro-
67 portion which the number of employees eligible for health insur-
68 ance under this chapter employed in the bargaining unit he
69 represents bears to the total number of employees eligible for
70 health insurance in all bargaining units of the governmental unit.
71 Any agreement with the public authority must be approved by 70
72 per cent of the weighted votes of the representatives on the public
73 employee committee as set forth in this section, and shall be
74 binding on all subscribers and their representatives.

75 For the purposes of this section, a health carrier shall include
76 any insurance company organized under chapter 175, hospital
77 service corporation organized under chapter 176A, medical
78 service corporation organized pursuant to chapter 176B, a health
79 maintenance organization organized under chapter 176G, a pre-
80 ferred provider organization organized under chapter 176I, or, in
81 the case of a governmental unit which is partially or fully self-
82 insured with respect to health coverage, any third party adminis-
83 trator selected by the governmental unit, which may include but is
84 not limited to any health carrier.

85 An agreement approved under this section shall be binding on
86 all active and retired employees for whom health coverage is
87 being purchased; shall supersede any conflicting provisions of all
88 collective bargaining agreements and shall itself not be super-
89 seded in any statutory impasse proceeding under chapter 150E,
90 but the agreement may include procedures for resolving an
91 impasse in negotiations for a successor agreement. Any dispute
92 arising over the interpretation or application of the public
93 employee committee agreement under this section may be sub-
94 mitted to binding arbitration under the labor arbitration provisions
95 of the American Arbitration Association upon request of the
96 public employee committee or the appropriate public authority,
97 except as otherwise provided in subsection (f). Any request must
98 be approved by 70 per cent of weighted votes of the representa-
99 tives on the public employee committee as set forth in this
100 section, or where applicable by a majority vote of the appropriate
101 public authority.

102 A governmental unit which elects to provide health coverage to
103 subscribers under this section shall be considered in full compli-
104 ance with any other provisions of this chapter regulating the pro-
105 curement of health insurance.

106 A governmental unit which elects to provide health coverage
107 under this section under an agreement approved by a public
108 employee committee, may provide coverage either as a single
109 governmental unit or, under section 12, through joint purchase
110 with other governmental units or, with multiple governmental
111 units, through a risk-sharing pool, trust or health carrier or third
112 party administrator, or by making payments to a health and wel-
113 fare trust fund to provide health coverage under this section either
114 as a single governmental unit or together with multiple govern-
115 mental units.

116 The appropriate public authority may contract with a health
117 carrier for direct coverage of subscribers for whom the carrier's
118 geographic service area provides appropriate access and coverage
119 for other subscribers in accordance with subsection (d).

120 (b) Nothing in this section shall be considered to require, pre-
121 clude or permit any change in any aspect of health coverage for
122 subscribers authorized by this section except where an agreement
123 to provide for this change is reached by an appropriate public
124 authority and a public employee committee in an agreement
125 entered into or modified after the effective date of this subsection
126 except as otherwise provided in subsection (e).

127 In the absence of a successor agreement approved under this
128 section, the prior agreement of the public employee committee
129 and the appropriate public authority regarding the provision of
130 health insurance shall remain in effect.

131 (c) Nothing in this section shall be construed to relieve any
132 governmental unit from providing health coverage to any
133 employee, retiree, surviving spouse or dependent to whom it has
134 an obligation to provide coverage under any other provision of
135 this chapter.

136 (d) The agreement reached between an appropriate public
137 authority and the public employee committee shall provide for
138 those subscribers who, by reason of residence or domicile, cannot
139 be appropriately served within the service area of the health car-
140 rier or carriers included in the agreement, subject to this subsec-
141 tion.

142 Coverage for subscribers under this subsection shall be under
143 and in conformity with the agreement required by this section and
144 shall conform to all requirements of this section. The agreement
145 reached between an appropriate public authority and the public
146 employee committee shall provide that any subscriber who for
147 reasons of residency is not eligible for enrollment in a plan
148 offered by a governmental unit shall be covered under a plan
149 offered under chapter 176I, if that plan is provided for under the
150 agreement, but a subscriber who lives 10 miles or more from the
151 nearest primary care physician providing care under the plan shall
152 have out-of-pocket payments and medical deductibles limited to
153 the amount that the subscriber would have paid had he utilized the
154 network of medical services of the plan offered under
155 chapter 176I. If the agreement reached between the appropriate
156 public authority and the public employee committee provides for
157 only health maintenance organizations or other health carriers that
158 limit enrollment to a particular geographic area, then, notwith-
159 standing any general or special law to the contrary, health mainte-
160 nance organizations or other health carriers shall provide for the
161 coverage of services provided or arranged for all subscribers who
162 do not reside within the geographic service area of these carriers
163 in the following manner: Any subscriber not eligible for direct
164 coverage due to the subscriber's residency shall have the same
165 benefit schedule and premium contribution provided to sub-
166 scribers residing within the carrier's geographic service area,
167 including but not limited to covered services, out-of-pocket pay-
168 ments and medical deductibles for any and all medical services
169 provided for or arranged under the agreement.

170 (e) Where an agreement reached by an appropriate public
171 authority and the public employee committee covering the public
172 employee committee of the governmental unit executed or modi-
173 fied so provides, the appropriate public authority shall notify the
174 group insurance commission that it will transfer to the commis-
175 sion all subscribers for whom it provides health coverage. This
176 notice shall be provided to the commission by the appropriate
177 public authority no later than October 1, and the transfer of sub-
178 scribers to the commission shall take effect as of the following
179 July 1. On the effective date of the transfer, the health insurance
180 of all subscribers, including elderly governmental retirees previ-

181 ously governed by section 10B of chapter 32A and retired munic-
182 ipal teachers previously governed by section 12 of chapter 32A,
183 shall be provided through the group insurance commission for all
184 purposes and governed under this section. As of the effective date
185 and for the duration of the transfer, subscribers transferred to the
186 commission's health coverage shall receive group health insurance
187 benefits determined exclusively by the group insurance commis-
188 sion, which coverage shall not be subject to collective bargaining
189 with the exception of contribution ratios which shall be deter-
190 mined by the written agreement.

191 All subscribers transferred to the commission who are eligible
192 or become eligible for Medicare coverage shall be required to
193 transfer to Medicare coverage, as prescribed by the group insur-
194 ance commission. In the event of transfer to Medicare, the gov-
195 ernmental unit shall pay any Medicare part B premium penalty
196 assessed by the federal government on the retirees, spouses and
197 dependents as a result of enrollment in Medicare part B at the time
198 of transfer into the Medicare health benefits supplement plan.

199 For each subscriber's premium and the governmental unit's
200 share of the premium, the subscriber and the governmental unit
201 shall furnish to the commission, in the form and content that the
202 commission shall prescribe, all the information it determines to be
203 necessary to maintain subscribers' and covered dependents' health
204 coverage. The appropriate public authority of the governmental
205 unit shall perform the administrative functions and process the
206 information that the commission considers necessary to maintain
207 the subscribers' health coverage, including but not limited to
208 family and personnel status changes, and shall report all these
209 changes monthly to the commission. If a governmental unit trans-
210 fers subscribers to the group insurance commission under this
211 section, subscribers may be withdrawn from commission coverage
212 at either 3 or 6 year intervals from the date of transfer of sub-
213 scribers to the commission, as determined by the written agree-
214 ment which shall specify the withdrawal interval and withdrawal
215 procedures. The written agreement may specify the procedures
216 for resolving an impasse in negotiations over whether to withdraw
217 from commission coverage and for determining health coverage
218 and contribution ratios for subscribers for the year following with-
219 drawal from the commission, but if binding arbitration is included

220 in the written agreement, the agreement shall provide that the dis-
221 pute shall be submitted to arbitration administered by the Amer-
222 ican Arbitration Association under the procedures set forth in its
223 Labor Arbitration Rules, unless the written agreement provides
224 for a different method of arbitration.

225 The decision and notice to withdraw must be made by
226 October 1 of the year prior to the effective date of withdrawal.
227 All withdrawals shall be effective on July 1 following the govern-
228 mental unit's notice to the commission. Except as otherwise pro-
229 vided in the written agreement, withdrawal from commission
230 coverage shall revoke adoption of this section and any written
231 agreements related to the implementation of this section as of the
232 effective date of withdrawal. In the event that the acceptance of
233 this section is revoked, the appropriate public authority of the
234 governmental unit shall abide by all commission requirements for
235 effectuating the withdrawal, including the notice requirements in
236 this subsection. If a governmental unit withdraws from group
237 insurance commission coverage under this section, the withdrawal
238 shall be binding on all subscribers, including those subscribers
239 who, before the transfer to the commission, received coverage
240 from the commission under sections 10B and 12 of chapter 32A,
241 but after withdrawal from the commission, those subscribers who
242 are retired municipal teachers or elderly governmental retirees
243 shall under no circumstances pay greater than 25 per cent of the
244 cost of their health insurance premiums.

245 In the event of revocation under this section, the governmental
246 unit and public employee unions shall return to governance of
247 negotiations of health insurance under chapter 150E and
248 chapter 32B on the effective date of withdrawal from commission
249 coverage, to negotiate healthcare coverage for subscribers after
250 that date.

251 (f) To the extent authorized under chapter 32A, the commission
252 shall provide group coverage of subscribers' health claims
253 incurred after transfer to the commission. The claim experience
254 of these subscribers shall be maintained by the commission in a
255 single pool and combined with the claim experience of all covered
256 state employees and retirees and their covered dependents,
257 including those subscribers that previously received coverage
258 under section 10B of chapter 32A and section 12 of chapter 32A.

259 Notwithstanding any general or special law to the contrary, any
260 governmental unit that self-insures its group health plan under
261 section 3A of this chapter which has a deficit in its claims trust
262 fund at the time of transferring its subscribers to the group insur-
263 ance commission attributable to failure to accrue claims which
264 had been incurred but not paid may capitalize the deficit and
265 amortize the amount over 10 fiscal years in 10 equal amounts, or
266 on a schedule providing for a more rapid amortization.

267 Except as otherwise provided in this section, subscribers eli-
268 gible for health coverage under subsection (e) shall be subject to
269 all of the terms, conditions, schedule of benefits, and health car-
270 riers as employees and dependents defined by chapter 32A and
271 commission regulations. The commission shall determine all mat-
272 ters relating to subscribers' group health insurance rights, respon-
273 sibilities, costs and payments excluding contribution ratios, and
274 obligations, including but not limited to the manner and method of
275 payment, schedule of benefits, eligibility requirements, and choice
276 of health carriers. These matters shall be determined exclusively
277 by the commission and shall not be subject to collective bar-
278 gaining, the written agreement or to arbitration under the agree-
279 ment. The commission may issue rules and regulations consistent
280 with this section and shall provide public notice of proposed rules
281 and regulations promulgated under this section and notice of these
282 rules and regulations at the request of interested parties, opportu-
283 nity to review the rules and regulations, and opportunity to com-
284 ment on the rules and regulations in writing and at a public
285 hearing, but under no circumstances shall the commission be sub-
286 ject to chapter 30A.

287 The commission shall negotiate and purchase health coverage
288 for subscribers transferred under subsection (e) and shall promul-
289 gate regulations, policies, and procedures for coverage of the
290 transferred subscribers. The schedule of benefits available to the
291 transferred subscribers shall be determined by the commission in
292 accordance with chapter 32A. The commission shall offer these
293 subscribers the same choice as to health carriers and benefits as
294 those provided to state employees and retirees. The governmental
295 unit's contribution to the cost of health coverage for these sub-
296 scribers shall be as determined under this section and shall not be
297 subject to the provisions on contributions in said chapter 32A.

298 Any change to the premium contribution ratios shall become
299 effective as of July 1 of each year, with notice to the commission
300 of the change no later than January 15 of the same year.

301 Any governmental unit that transfers subscribers to the group
302 insurance commission shall pay the commonwealth for all costs of
303 its subscribers' coverage, including the entire cost of applicable
304 administrative expenses and the governmental unit's proportional
305 cost of subscribers' premiums. The commission shall determine
306 on a periodic basis the amount of premium and administrative
307 expenses which the governmental units shall pay to the state trea-
308 surer and shall certify the amounts to the state treasurer for assess-
309 ment. The state treasurer shall issue a warrant in the manner
310 provided by section 20 of chapter 59 requiring the governmental
311 units concerned to pay into the treasury of the commonwealth as
312 prescribed by the commission the amounts of these premium and
313 administrative expenses attributable to the governmental units.
314 The treasurer shall bill the participating governmental unit for the
315 full cost of coverage, including the administrative fee, in accor-
316 dance with policies and procedures established by the commission
317 and the treasurer. The commonwealth may, at its option, recoup
318 any past due costs from the governmental unit's cherry sheet under
319 section 20A of chapter 58. If a governmental unit fails to pay to
320 the treasurer the costs of coverage for more than 90 days and the
321 cherry sheet provides an inadequate source of payment, the com-
322 mission may, at its discretion, cancel the coverage of subscribers
323 of that governmental unit. In the event of cancellation due to non-
324 payment, the governmental unit shall provide all subscribers with
325 health coverage under plans which are the actuarial equivalent of
326 plans offered by the commission in the preceding year until there
327 is an agreement with the public employee committee providing for
328 replacement coverage.

329 The commission may also charge the governmental unit an
330 administrative fee, which shall not be more than 1 per cent of the
331 cost of total premiums for the governmental unit, to be determined
332 by the commission, which shall be considered as part of the cost
333 of coverage for purposes of determining the contributions of the
334 governmental unit and its employees to the cost of health cov-
335 erage by the commission. The administrative fee charged under
336 this section shall be placed in a retained revenue account and used

337 by the commission to pay any personnel or other costs associated
338 with the administration of municipal insurance health coverage.

339 (g) Any agreement reached between the governmental unit and
340 the public employee committee, including an agreement to
341 transfer subscribers to the group insurance commission, shall pro-
342 vide that within the same health coverage plan the percentage con-
343 tributed by the governmental unit to the premium or cost of health
344 coverage shall be the same for all subscribers covered under this
345 section. The payments shall differ only by the type of coverage
346 elected under the plan, individual, family, optional Medicare
347 extension or other, but the percentage contributed by the govern-
348 mental unit may vary among the different health coverage plans
349 offered under the agreement reached between the governmental
350 unit and the public employee committee. The agreement reached
351 under this section shall provide that the percentage contributed by
352 the governmental unit to the premium or cost of at least 1
353 Medicare extension plan available to all eligible subscribers shall
354 be no less than the minimum percentage contributed by the gov-
355 ernmental unit to any other health coverage plan offered under the
356 agreement reached under this section. Any governmental unit that
357 accepts this section shall establish by agreement with the public
358 employee committee a contribution by the governmental unit to
359 the premium or cost of health coverage that provides for a min-
360 imum of 50 per cent but not more than 99 per cent. Notwith-
361 standing this subsection, where there is an agreement to transfer
362 subscribers to the group insurance commission, subscribers whose
363 coverage was governed by section 10B of chapter 32A or section
364 12 of chapter 32A before the date that the written agreement is
365 signed shall not be required to contribute more than 25 per cent of
366 their health insurance premiums, but the written agreement may
367 provide for a premium contribution paid by those subscribers of
368 less than 25 per cent.

369 (h) In the event of revocation of or withdrawal from the group
370 insurance commission under this section, all retirees, their spouses
371 and dependents insured or eligible to be insured by the govern-
372 mental unit, if enrolled in Medicare part A at no cost to the
373 retiree, spouse or dependents, shall be required to be insured by a
374 Medicare extension plan offered by the governmental unit under
375 section 11C or section 16. Each retiree shall provide the govern-

376 mental unit, in the form that the governmental unit shall prescribe,
377 the information that is necessary to transfer to a Medicare exten-
378 sion plan. If a retiree does not submit the information required, he
379 shall no longer be eligible for his existing health coverage. The
380 governmental unit may from time to time request from any retiree,
381 a retiree's spouse and dependents, proof certified by the federal
382 government of that person's eligibility or ineligibility for
383 Medicare part A and part B coverage. The governmental unit shall
384 pay any Medicare part B premium penalty assessed by the federal
385 government on retirees, spouses and dependents as a result of
386 enrollment in Medicare part B at the time of transfer into the
387 Medicare health benefits supplement plan.

388 (i) Where a public employee committee and governmental
389 entity have an agreement under this section as of July 31, 2006,
390 the agreement shall remain in full force and effect and shall
391 henceforth be governed by this section, but if the agreement pro-
392 vides for the transfer of subscribers to the group insurance com-
393 mission, the public employee committee and the governmental
394 unit shall amend the agreement, as needed, to be consistent with
395 state law.

1 SECTION 9. Section 7 of chapter 44 of the General Laws, as so
2 appearing, is hereby amended by inserting after the word "speci-
3 fied", in line 3, the following words:— or, except with respect to
4 clauses (11), (16), (18), (21) and (22), within such longer period
5 not to exceed 30 years based upon the maximum useful life of the
6 public work, improvement or asset being financed, as determined
7 by the mayor or town council or the board of selectmen of a town
8 without a town council.

1 SECTION 10. Said section 7 of said chapter 44, as so
2 appearing, is hereby further amended by striking out in lines 50 to
3 53 the words "or for such maximum term, not exceeding 15 years,
4 based upon the maximum useful life of the equipment as deter-
5 mined by the board of selectmen or the mayor or city manager of
6 the city or town".

1 SECTION 11. Said section 7 of said chapter 44, as so
2 appearing, is hereby further amended by inserting after clause (31)
3 the following clause:—

4 (32) For any other public work, improvement or asset not speci-
5 fied in any of the above clauses, with a maximum useful life of at
6 least 5 years, determined as provided in the first sentence of this
7 section, 5 years.

1 SECTION 12. Section 8 of said chapter 44, as so appearing, is
2 hereby amended by inserting after the word “specified”, in line 3,
3 the following words:— or except with respect to clauses (1), (2),
4 (3A), (5), (6), (7), (9) and (19), within such longer period not to
5 exceed 30 years based upon the maximum useful life of the public
6 work, improvement or asset being financed as determined by the
7 mayor or town council or the board of selectmen of a town
8 without a town council.

1 SECTION 13. Said section 8 of said chapter 44, as so
2 appearing, is hereby further amended by striking out, in lines 77
3 and 78, the words “a board composed of the attorney general, the
4 state treasurer and the director” and inserting in place thereof the
5 following words:— the municipal finance oversight board.

1 SECTION 14. Said section 8 of said chapter 44, as so
2 appearing, is hereby further amended by inserting after the word
3 “vote”, in line 190, the following words:— , provided, however,
4 that debt under clause (9) of this section may be authorized by the
5 treasurer of a city, with the approval of the official whose
6 approval is required by the city charter in the borrowing of money,
7 the treasurer of a town with a town council form of government,
8 with the approval of the official whose approval is required by the
9 town charter in the borrowing of money, the treasurer of a town
10 without a town council form of government, with the approval of
11 the board of selectmen, and the treasurer of a district, with the
12 approval of the prudential committee, if any, otherwise of the
13 commissioners.

1 SECTION 15. Section 9 of said chapter 44, as so appearing, is
2 hereby amended by inserting after the word “eight”, in line 3, the
3 following words:— with the determination of the maximum useful
4 life of any public work, improvement or asset under these sections
5 being determined by the prudential committee, if any, or otherwise
6 by the board of commissioners,

1 SECTION 16. Said chapter 44 is hereby further amended by
2 striking out section 19, as so appearing, and inserting in place
3 thereof the following section:—

4 Cities, towns and districts shall not issue any notes payable on
5 demand, and they shall provide for the payment of all debts,
6 except temporary loans incurred under sections 4, 6, 6A, 8C, and
7 17, or under section 3 of chapter 74 of the acts of 1945, by annual
8 payments that will extinguish the same at maturity, and so that the
9 first of these annual payments on account of any serial loan shall
10 be made not later than the end of the next complete fiscal year
11 commencing after the date of the bonds or notes issued for the
12 serial loan, and shall be arranged so that for each issue the
13 amounts payable in the several years for principal and interest
14 combined shall be as nearly equal as practicable in the opinion of
15 the officers authorized to issue the bonds or notes, or in the alter-
16 native, in accordance with a schedule providing a more rapid
17 amortization of principal; and these annual amounts, together with
18 the interest on all debts, shall, without further vote, be assessed
19 until the debt is extinguished.

1 SECTION 17. Section 21A of said chapter 44, as so appearing,
2 is hereby amended by inserting after the word “law”, in line 10,
3 the following words:— , and provided further that no order or
4 vote authorizing the issuance of refunding bonds or notes shall be
5 subject to any referendum provisions contained in any general or
6 special law, any city or town charter, any city ordinance or town
7 by-law, or other provision.

1 SECTION 18. Section 22 of said chapter 44, as so appearing, is
2 hereby amended by adding the following sentence:— Notwith-
3 standing the above, the selectmen may delegate to the town trea-
4 surer the approval of the rate or rates of interest with any
5 limitations that the selectmen determine to be in the best interests
6 of the town.

1 SECTION 19. Section 22A of said chapter 44, as so appearing,
2 is hereby amended by striking out the first sentence and inserting
3 in place thereof the following sentence:— Bonds or notes issued
4 by a city may be secured in whole or in part by insurance or by

5 letters or lines of credit or other credit facilities, provided that the
6 city treasurer and mayor or city manager, as applicable, determine
7 that issuing bonds or notes on this basis is in the best interests of
8 the city.

1 SECTION 20. Section 22B of said chapter 44 is hereby
2 repealed.

1 SECTION 21. Subsection (f) of section 28C of chapter 44 of
2 the General Laws, as so appearing, is hereby amended by
3 inserting after the first sentence the following sentence:— A city
4 or town may provide that a fee or charge imposed under this sub-
5 section is mandatory unless the city or town grants an exemption.
6 Fees or charges collected by the city or town need not be main-
7 tained in a separate fund.

1 SECTION 22. Section 8 of chapter 58 of the General Laws, as
2 so appearing, is hereby amended by striking out the second and
3 third paragraphs and inserting in place thereof the following para-
4 graph:—

5 The commissioner shall make, and from time to time revise,
6 rules and regulations necessary for establishing an expedited pro-
7 cedure for granting authority to abate taxes, assessments, rates,
8 charges, costs or interest under this section in such cases as he
9 determines are in the public interest and shall from time to time
10 for such periods as he considers appropriate authorize the asses-
11 sors or the board or officer assessing the tax, assessment, rate or
12 charge, to grant these abatements. No abatement authorized by
13 these procedures shall be granted unless the assessors or board or
14 officer shall certify, in writing, under pains and penalties of per-
15 jury that the procedures have been followed. The commissioner
16 shall require yearly reports and audits of these abatements by
17 assessors or boards or officers that the commissioner considers
18 necessary to ensure that any authority granted under this para-
19 graph has been properly exercised, and shall withdraw this grant
20 of authority to any particular assessors, board or officer upon his
21 written determination that the authority has been improperly exer-
22 cised. The commissioner may make, and from time to time
23 revise, reasonable rules and regulations that he considers neces-
24 sary to carry out this paragraph.

1 SECTION 23. Section 5 of chapter 59 of the General Laws, as
2 appearing in the 2004 Official Edition, is hereby amended by
3 inserting after the word “than”, in line 220, the following
4 words:— a telephone or telegraph corporation taxed under
5 section 52A of chapter 63 or.

1 SECTION 24. Said section 5 of said chapter 59 of the General
2 Laws, as so appearing, is hereby further amended by inserting
3 after the words “two A”, in line 223, the following words:— ,
4 other than a telephone or telegraph corporation,.

1 SECTION 25. Said section 5 of said chapter 59 of the General
2 Laws, as so appearing, is hereby further amended by inserting
3 after the word “sixty-three”, in line 239, the following words:—
4 or a telephone or telegraph corporation taxed under section 52A of
5 chapter 63.

1 SECTION 26. Clause Fifth of section 18 of said chapter 59, as
2 so appearing, is hereby amended by adding the following 2 sen-
3 tences:— Poles, underground conduits, wires and pipes of
4 telecommunications companies laid in or erected upon public or
5 private ways and property shall be assessed to their owners in the
6 towns or cities where they are laid or erected. For purposes of
7 this clause, telecommunications companies shall include cable
8 television, internet service, telephone service, data service and any
9 other telecommunications service providers.

1 SECTION 27. Section 39 of said chapter 59, as so appearing, is
2 hereby amended by striking out the first sentence and inserting in
3 place thereof the following 4 sentences:— The valuation at which
4 the poles, wires and underground conduits, wires and pipes of all
5 telephone and telegraph companies shall be assessed by the asses-
6 sors of the respective cities and towns where the property is sub-
7 ject to taxation shall be determined annually by the commissioner
8 of revenue subject to appeal to the appellate tax board, as pro-
9 vided in this section. Other taxable personal property of tele-
10 phone and telegraph companies shall be valued and assessed by
11 the assessors of the respective cities and towns where the property
12 is subject to taxation, in the same manner as other personal prop-

erty is valued and assessed under this chapter. For purposes of sections 39 to 42, telephone and telegraph companies shall include only those telecommunications companies which own and operate two-way voice communications service over wires or cables and are subject to rate regulation by the department of telecommunications and energy. Towers and monopoles used to support machinery and equipment for wireless communications shall not be considered poles under this section and shall be considered part of the real estate subject to valuation and assessment by local assessors.

SECTION 28. Chapter 64G of the General Laws is hereby amended by striking out section 3A, as so appearing, and inserting in place thereof the following section:—

Section 3A. (a) Any city or town which accepts this section may impose a local excise tax upon the transfer of occupancy of any room or rooms in a bed and breakfast establishment, hotel, lodging house or motel located within that city or town by any operator at a rate up to, but not exceeding, 5 per cent of the total amount of rent for each occupancy. No excise shall be imposed if the total amount of rent is less than 15 dollars per day or its equivalent or if the accommodation is exempt under section 2 of this chapter. The operator shall pay the local excise tax imposed under the provisions of this section to the commissioner at the same time and in the same manner as the excise tax due the commonwealth.

(b) Twenty-five per cent of the sums received by the commissioner under this section as proceeds of any tax imposed under this section after July 1, 2007 shall be deposited in the Municipal Property Tax Exemption Reimbursement Fund established under section 35DD of chapter 10 to be used for the purpose of reimbursing cities and towns for taxes abated under clause Forty-first, Forty-first B or Forty-first C of section 5 of chapter 59. The balance of the sums received by the commissioner under this section as excise, penalties or forfeitures, interest, costs of suit and fines shall at least quarterly be distributed, credited and paid by the state treasurer upon certification of the commissioner to each city or town that has adopted this section in proportion to the amount of the sums received from the transfer of occupancy in that city or town.

29 (c) This section shall take effect in a city or town that accepts it
30 as provided in section 4 of chapter 4. This section shall take
31 effect on the first day of the calendar quarter following 30 days
32 after this acceptance, or on the first day of a later calendar quarter
33 that the city or town may designate. The city or town, in accepting
34 this section, may not revoke or otherwise amend the applicable
35 local tax rate more often than once in any 12-month period.

36 (d) The commissioner of revenue shall make available to any
37 city or town a report of the total amount of room occupancy tax
38 collected in the preceding fiscal year in the city or town
39 requesting the information.

1 SECTION 29. Chapter 64H of the General Laws is hereby
2 amended by inserting after section 2 the following section:—

3 Section 2A. (a) Any city or town which accepts this section
4 may impose a local sales tax upon the sale of restaurant meals
5 originating within the city or town by any vendor at a rate of up
6 to, but not exceeding, 2 per cent of the gross receipts of the
7 vendor from the sale of restaurant meals. No excise shall be
8 imposed if the service is exempt under section 6. The vendor
9 shall pay the local sales tax imposed under this section to the
10 commissioner at the same time and in the same manner as the
11 sales tax due to the commonwealth.

12 (b) Twenty-five per cent of the sums received by the commis-
13 sioner under this section as sales, penalties or forfeitures, interest,
14 costs of suit and fines shall be deposited in the Municipal Property
15 Tax Exemption Reimbursement Fund established under
16 section 35DD of chapter 10 to be used for the purpose of reim-
17 bursing cities and towns for taxes abated under clause Forty-first,
18 Forty-first B or Forty-first C of section 5 of chapter 59. The bal-
19 ance of the sums received by the commissioner under this section
20 shall at least quarterly be distributed, credited and paid by the
21 state treasurer upon certification of the commissioner to each city
22 or town that has adopted this section in proportion to the amount
23 of the sums received from the sales of services in that city or
24 town.

25 (c) This section shall take effect only in a city or town that
26 accepts it as provided in section 4 of chapter 4. This section shall
27 take effect on the first day of the calendar quarter following 30

28 days after this acceptance, or on the first day of a later calendar
29 quarter that the city or town may designate.

30 (d) The commissioner shall make available to any city or town
31 a report of the total amount of sales tax collected in the preceding
32 fiscal year in the city or town requesting the information.

1 SECTION 30. Section 16 of chapter 71 of the General Laws, as
2 so appearing, is hereby amended by striking out the first para-
3 graph of clause (d) and inserting in place thereof the following
4 paragraph:—

5 (d) To incur debt for the purpose of acquiring land and con-
6 structing, reconstructing, adding to, and equipping a school
7 building or buildings or for the purpose of remodeling and making
8 extraordinary repairs to a school building or buildings and for the
9 construction of sewerage systems and sewerage treatment and dis-
10 posal facilities, or for the purchase or use of such systems with
11 municipalities, and for the purpose of purchasing department
12 equipment; or for the purpose of constructing, reconstructing or
13 making improvements to outdoor playground, athletic or recre-
14 ational facilities; or for the purpose of constructing, reconstructing
15 or resurfacing roadways and parking lots; or for the purpose of
16 any other public work or improvement of a permanent nature
17 required by the district; or for the purpose of any planning, archi-
18 tectural or engineering costs relating to any of the above purposes;
19 provided, however that written notice of the amount of the debt
20 and of the general purposes for which it was authorized shall be
21 given to the board of selectmen in each of the towns comprising
22 the district not later than 7 days after the date on which the debt
23 was authorized by the district committee; and no debt may be
24 incurred until the expiration of 60 days after the date on which the
25 debt was authorized; and before the expiration of this period any
26 member town of the regional school district may hold a town
27 meeting for the purpose of expressing disapproval of the amount
28 of debt authorized by the district committee, and if at that meeting
29 a majority of the voters present and voting express disapproval of
30 the amount authorized by the district committee, the debt shall not
31 be incurred and the district school committee shall prepare
32 another proposal which may be the same as any prior proposal and
33 an authorization to incur debt therefor. Debt incurred under this

34 section shall be payable within 30 years, but no such debt shall be
35 issued for a period longer than the maximum useful life of the
36 project being financed as determined by the regional district
37 school committee.

1 SECTION 31. Clause (iv) of paragraph (a) of section 1 of
2 chapter 3 of the acts of 2004 is hereby amended striking out the
3 words “year 2007” and inserting in place thereof the following
4 words:— years 2007, 2008 and 2009.

1 SECTION 32. Clause (v) of paragraph (a) of said section 1 of
2 said chapter 3 is hereby amended by striking out the figure “2008”
3 and inserting in place thereof the following figure:— 2010.

1 SECTION 33. Clause (vi) of paragraph (a) of said section 1 of
2 said chapter 3 is hereby amended by striking out the figure “2009”
3 and inserting in place thereof the following figure:— 2011.

1 SECTION 34. (a) There shall be a special commission to study
2 the uses of state technology at a municipal level. The commission
3 shall consist of: the secretary of administration and finance or a
4 designee, who shall serve as chair; a representative of the infor-
5 mation technology division, a representative of the operational
6 services division, a representative of the division of local services,
7 a representative of the office of geographic and environmental
8 information, a representative of the Massachusetts Municipal
9 Association, a representative of the Metropolitan Area Planning
10 Council and the chairs of the joint committee on municipalities
11 and regional government.

12 (b) The study shall consider methods by which municipalities
13 could benefit from technology used by the commonwealth,
14 including but not limited to use of commonwealth websites for
15 municipal purposes, use of commonwealth technology for pur-
16 chasing, geographic information systems and other information
17 services.

18 (c) The commission shall report not later than March 1, 2008,
19 to the senate president, minority leader of the senate, senate com-
20 mittee on ways and means, speaker of the house of representa-
21 tives, minority leader of the house of representatives and the
22 house committee on ways and means.

1 SECTION 35. (a) There shall be a special commission to con-
2 sider ways to grant increased local authority in areas currently
3 requiring home rule petitions. The commission shall also investi-
4 gate methods for providing incentives for best municipal fiscal
5 practices and regionalization of municipal services in the
6 following areas: (a) accounting, auditing, and financial reporting,
7 (b) budgeting (including budget process, revenues and expendi-
8 ture forecasting), (c) cash management, (d) debt management,
9 (e) economic development and capital planning, (f) retirement and
10 benefits administration, (g) energy cost management, and (h)
11 regional alliances.

12 (b) The commission shall consist of: the secretary of adminis-
13 tration and finance or a designee, who shall serve as chair, a repre-
14 sentative of the division of local services, a representative of the
15 Massachusetts Municipal Association, a representative of the Met-
16 ropolitan Area Planning Council and the chairs of the joint com-
17 mittee on municipalities and regional government.

18 (c) The commission shall report not later than March 1, 2008,
19 to the senate president, minority leader of the senate, senate com-
20 mittee on ways and means, speaker of the house of representa-
21 tives, minority leader of the house of representatives and the
22 house committee on ways and means.

1 SECTION 36. Fees or charges imposed by a city or town for
2 the collection or disposal of solid waste before the effective date
3 of this act shall be enforceable if they comply with subsection (f)
4 of section 28C of chapter 44 of the General Laws, as amended by
5 section 6 of this act.